

happens to agriculture in Western Placer County if 60 percent of the land is acquired by development interest and passes from farming?

**Response:** In all of the alternatives, most of the purple areas represent parcels that could be incorporated into a reserve system (i.e., those which are not currently developed). To provide some context, in Alternative 14, the purple area spans approximately 88,200 acres. Of that total, approximately 8 percent (7,458 acres) is comprised of parcels smaller than 20 acres. Thus, approximately 92 percent of the purple area is available for incorporation into the reserve. And of that 92 percent, the County would need approximately 76 percent of the land to be incorporated into the reserve system. In addition, of the approximately 1,125 property owners located in the purple areas, approximately 60 percent of the owners are located within the parcels sized less than 20 acres. Thus, effectively, the majority of the reserve system would be assembled from properties owned by approximately 445 property owners.

24. Is there any Federal money that may help pay for the PCCP in the future?

**Response:** Yes, apart from the requirement to set aside lands for mitigation purposes, the PCCP addresses the conservation of lands for the purposes of natural community conservation. This land conservation can be assisted by the Federal and State resource agencies once the proposed PCCP is finalized and implemented.

25. Can any federal monies be used for maintenance versus acquisition?

**Response:** No. Any federal funding would need to go to land conservation. Traditional federal funding sources for programs like the PCCP cannot be used to pay for mitigation and/or maintenance activities.

26. Why was 1937 aerial photography used for identifying historical vernal pool locations?

**Response:** The 1937 photos were fortunately comprehensive and of high quality. They allowed staff and the consultant team to get complete coverage of the valley floor and to identify resources prior to significant land leveling activities associated with rice production.

27. I think there is a lot of groundwork done before 1937. Has the County looked for that information?

**Response:** The County is not aware of any comprehensive data that covers the natural resources of western Placer County. There is anecdotal information and old mapping but little of useful information that is based upon the identification of historical habitat conditions and distribution of resources.

Comprehensive data sets that were acquired from a number of public domain resources but most were found to be out of date and their utility has been limited.

28. Is it not true that most of the counties in the state do not operate under a conservation plan?

**Response:** This is correct. Southern California has a number of adopted programs similar to the PCCP. Northern California is limited to San Joaquin County and the Natomas Basin in terms of region-wide multi species plans. Yolo, Sutter, E. Contra Costa, So. Sacramento, Yuba, Butte, Solano and Santa Clara Counties are all preparing similar plans in Northern California.

29. Has the County ever considered rezoning property along Highway 65 and the railroad, in the area north of Lincoln, to an industrial land use?

**Response:** No, staff has not looked at rezoning any properties through the proposed PCCP program.

**BIOLOGICAL STAKEHOLDER WORKING GROUP**  
**January 4, 2007 - 6:00pm**  
**Planning Commission Chambers, CDRA Building**

The meeting was called to order at 6:00 pm. Michael Johnson, Placer County Planning Department Director, introduced himself and the County staff present (Loren Clark, Melissa Batteate, and Breann Larimer).

Michael Johnson reviewed recent PCCP meeting history and provided a summary of the general comments raised at the meetings. Michael opened up the floor to questions and comments. The following summarizes the questions raised at the meeting:

- 1) Who do we respond to about the meeting summaries?

**Response:** Comments can be sent to the Placer County Planning Department at 3091 County Center Drive, Suite 140, Auburn, CA 95603 Attention: Loren Clark. Staff is also available to meet individually. Please call (530) 745-3000 and ask for Breann Larimer to schedule a meeting.

- 2) How come this process has gone so far without my having heard of it? How am I going to benefit from the PCCP?

**Response:** A public notice for these meetings was distributed to the local newspapers and meeting information was posted on the County's website. Individuals on the County's email registries were also notified of these meetings.

The PCCP is a regulatory program that will establish general areas where future development could occur and areas where future mitigation and land conservation could occur. An individual's recognized benefits from this program will vary depending on an individual's needs. However, general benefits of implementing this type of program include project permit streamlining, application efficiency increases, integrated biological preserves, and greater regulatory certainty.

- 3) What happens when a property in the purple wishes to split their parcel in the future?

**Response:** Parcels in the "purple" areas are able to subdivide their property as allowed under the existing zoning. Land in the "purple" areas on the reserve maps will not be rezoned. All of these lands are currently zoned for agriculture or open space uses. Property owners in the purple areas will still

have the ability to farm their property (or conduct any activity permitted by the County's Zoning Ordinance) or sell to an interested party if so desired. If a property owner in the purple area wishes to sell their property or an easement on their property for incorporation into the PCCP reserve system, they would have the ability to do so.

- 4) With the twenty five percent of developable lands in the "purple" how will the County make that determination fairly? On a first come first serve basis?

**Response:** This detail has not yet been determined by the Board. If the Board determines to proceed with this project, this detail would be determined prior to publication of the draft PCCP document.

- 5) If land is purchased for mitigation, what activities will be allowed? Can you have a mitigation and agriculture property at the same time?

**Response:** Land in the "purple" areas on the reserve maps will not be rezoned. All of these lands are currently zoned for agriculture or open space uses. Property owners in the purple areas will still have the ability to farm their property (or conduct any activity permitted by the County's Zoning Ordinance) or sell to an interested party if so desired. If a property owner in the purple area wishes to sell their property or an easement on their property for incorporation into the PCCP reserve system, they would have the ability to do so.

Yes, this depends on the details of the conservation easement, but it is possible to have a mitigation property and agricultural property at the same time. If a property owner wished to sell a conservation easement on their land, they may sell the right to develop the property in the future but retain the right to farm the land based on terms that are identified in the conservation easement.

- 6) Would the total amount of mitigation land required for the PCCP be less than if projects negotiated mitigation ratios independently (status quo)?

**Response:** It is not possible to predict the future mitigation ratios required for environmental permits. One of the benefits of this proposed program is the regulatory certainty which is gained by having a regional conservation plan. The regulated community can proceed with the understanding that the ratios will not be changing five, ten, or twenty years down the line. However, absent the PCCP, the mitigation ratios required by the resource agencies are subject to the changing regulatory environment. It is possible that the ratios, without the PCCP in place, would be higher than the ratios identified in the PCCP. In this case, it is possible that more land would be set aside for conservation without the PCCP in place.

7) Is this a voluntary program?

**Response:** Yes, this is a willing seller/willing buyer program. All property owners in purple would have the option of either 1) not entering into an agreement or 2) in selling an easement or fee title on their property for the purposes of conservation.

8) How will the PCCP help Placer Parkway or the Sacramento River Water Diversion project? There is this notion that the permit process will be faster, but how will this be cheaper?

**Response:** Both the Placer Parkway and Sacramento River Water Diversion projects are participating entities in the proposed PCCP. As such, these projects will obtain the regulatory permit coverage of the PCCP. A designated mitigation requirement will be identified for these projects as opposed to the status quo process which will establish the mitigation requirements for these projects individually. It is possible that the PCCP process could be less costly because the mitigation required through the PCCP may actually be less than the requirements of obtaining a permit individually.

9) At this point staff does not know the ratios because an alternative has not been chosen?

**Response:** Correct, the ratios have not been determined because an alternative must be selected. Once an alternative is selected, the estimated number of resources preserved can be calculated and the number of resources potentially impacted can be calculated. From these numbers, the target acreage for restoration can be identified and negotiated.

10) Why do you need a map at all? Why do you need to designate a specific area? Why not just identify a ratio?

**Response:** The County tried to prepare the PCCP by using mitigation ratios or a standards based approach instead of identifying an alternative map. However, this approach was rejected in June 2005 by the resource agencies reviewing the PCCP. The agencies are requiring the County to be specific in the location of the future reserve system. They wish to see the general areas for conservation and future development identified on a map. In the absence of a map, it is not possible to measure the viable of the reserve area at the outset of the 50-year acquisition phase.

11) How was the public notified of this series of meetings?

**Response:** Please see response to Question 2.

- 12) The PCCP seems to only be geared to protect vernal pools, what about the protection of scenic valued lands? Are they being conserved?

**Response:** The conservation of scenic natural resources may be a result of the PCCP; however, the purpose of this program is not to protect scenic areas specifically. The protection of scenic areas is a goal of the County's 1994 General Plan and is an objective of the Placer Legacy Open Space and Agricultural Conservation Program.

- 13) What if a property is located in the white and they want to avoid vernal pools?

**Response:** There will be incentives for avoiding vernal pool resources in the white areas if the avoidance areas meet certain criteria established in the PCCP and can be located within the contiguous reserve system (such as along stream buffers or adjacent to existing preserved areas).

- 14) Can you sell land in the white and put vernal pools in?

**Response:** See response to Question 13.

- 15) Why are vernal pools the focus? Will other habitats be conserved?

**Response:** The PCCP is intended to provide more regulatory relief than just impacts to vernal pool species. The PCCP covers 33 species that inhabit a range of natural communities including oak woodlands, grasslands, aquatic habitats, riparian areas and rice land.

- 16) What is the source of funding this program?

**Response:** The cost of the PCCP will be borne by the beneficiaries of the PCCP's regulatory relief. Such costs are borne by the same beneficiaries today under the status quo regulatory environment. In real estate markets with strong demand relative to supply, these and other costs of infrastructure needed for new development may ultimately be paid by future homeowners and businesses. Conversely, in a market where there are more substitutes (i.e., where buyers have more choice), costs such as these result in lower developer profit margins and, over the longer term, are reflected in lower land values as developers reduce what they are willing to pay for land.

- 17) Has the PCCP included the mandates of the SACOG blueprint?

**Response:** The SACOG blueprint is not a mandate for local jurisdictions; rather, it is a plan guiding jurisdictions on where future urban growth could occur. The PCCP accommodates growth through the year 2050, accommodating population numbers beyond which is identified in the SACOG Blueprint.

- 18) I have concerns about mosquitoes, does the public health department know about the PCCP program?

**Response:** Staff has previously met with the Placer Mosquito Abatement District regarding the PCCP and will meet again once a reserve map is selected. While vernal pools do accumulate water as part of their hydrological cycle, the hydrologic cycle does not result in a long inundation period and consequently the breeding season for mosquitos would be limited. Other perennial and seasonal marshes may result in mosquito breeding but it is not common for such problems to be associated with vernal pools. With the PCCP, vector control can be implemented as part of an overall management program. Without the PCCP, there would be no coordinated effort between habitat restoration/enhancement activities and the activities of the District.

- 19) Is it true you are not allowed to spray for mosquitoes?

**Response:** An answer for this question is not known at this time. Staff will identify the answer to this question and will provide a response to the individuals listed on the County's email registry.

- 20) With the PCCP, can I still farm my property in rice?

**Response:** Land in the "purple" areas on the reserve maps will not be rezoned. All of these lands are currently zoned for agriculture or open space uses. Property owners in the purple areas will still have the ability to farm their property (or conduct any activity permitted by the County's Zoning Ordinance) or sell to an interested party if so desired. Agricultural activities are not covered under the PCCP. As such, regulatory permits that may be required as a result of rice farming activities would need to be obtained individually, as in the status quo regulatory environment.

- 21) Will there be separate meetings for each map alternative? Or has one alternative already been chosen?

**Response:** Staff is available to meet with anyone interested in discussing the proposed PCCP program in further detail. Please contact Breann Lairmer at (530) 745-3000 to set up a meeting.

No alternative maps have been selected at this time. Staff will report to the Board of Supervisors on January 23<sup>rd</sup> to obtain their direction to either proceed with this work program or stop working on this project. If the Board wishes to proceed with the program, an alternative map will need to be identified.

- 22) What does Lincoln's sphere of influence have to do with this overall plan?

**Response:** The City of Lincoln is a participating agency in the PCCP. Staff is working with Lincoln to address their growth and conservation objectives and incorporate them into the map alternatives.

- 23) Who will make final determination of which map will go forward?

**Response:** The Board of Supervisors and City Council of Lincoln ultimately make the final determination to proceed with the program including the selection of a reserve map and its related conservation strategy.

- 24) Is there any tax relief planned for the properties in the purple?

**Response:** The incorporation of properties into the reserve system is not intended to have a major impact on the tax requirements these properties currently pay. The majority of the properties in purple are zoned for agriculture. While it depends on what rights a property owner wishes to sell in the conservation easement, staff does not estimate that a significant drop in taxes would result from this type of transaction. Enrolling a property into the Williamson Act remains a property owner's best choice for lowering property taxes.

- 25) What are the criteria used to determine whether a property is shown in purple or what makes you white?

**Response:** The County conducted a GIS analysis to determine which portions of the planning area had the greatest potential to function as core areas for the PCCP reserve. Based on this analysis, and after discussions with the resource agencies, the County determined that these areas in conjunction with other existing open space preserves and connecting parcels would create the foundation of the reserve system. After integrating the core reserve areas with additional buffer lands to provide for flexibility in the system, the land development objectives of the City of Lincoln and the growth footprints of the Specific Plan applications under review by the County were incorporated. These development footprints were shifted based on various growth or conservation objectives in order to create Alternative maps 1-14.

- 26) Why should we be concerned about conducting land conservation in other counties?

**Response:** It is possible that some types of mitigation may occur outside of Placer County, such as improvements to fish passage. With other types of mitigation, for example vernal pools, out-of-county mitigation does not provide a good solution because these resource types are either not located in abundance in these jurisdictions or they are being set aside as mitigation for impacts anticipated in their jurisdiction. Multiple neighboring jurisdictions (Sacramento, Yolo, and Yuba/Sutter Counties) are in the process of preparing

their own conservation plans and are dealing with their own resource issues. Thus, out-of-county mitigation is not a viable solution for all of Placer's mitigation needs.

- 27) How does the incorporation of a property into the reserve help the environment? Do small parcels not qualify for the reserve system?

**Response:** By incorporating properties into the PCCP reserve system, the land would be protected in perpetuity. Further urban development of the lands would not be permitted. Criteria will be established that outline what makes a property suitable for incorporation into the reserve. These decisions would be made on a case-by-case basis. In many cases, small parcels may not be suitable for incorporation because creating small isolated reserves is not conducive to landscape level resource conservation. However, if the parcel is located next to a stream corridor or other open space area, it is possible that a small parcel may be incorporated into the system.

- 28) Why do we need a map, why can we not just identify a ratio?

**Response:** Please see response to Question 10.

- 29) Have the wildlife agencies seen the maps yet? Which maps do they show support for?

**Response:** Yes, the resource agencies have seen the maps. They have indicated that maps two, four, six, and seven could form the basis of the conservation strategy for the PCCP.

- 30) Why did staff endorse Alternative 14 in November?

**Response:** Alternative 14 represents a map that is a compromise between the growth objectives of the City of Lincoln and the proposed projects in the County. The resource agencies have indicated that this map could be used as a starting point for discussions.

- 31) Why are we basing everything off of what the "feds" are saying? And what laws are you using?

**Response:** The County is applying for permits from both the federal and state agencies. These agencies must approve of the concepts and specifics outlined in the PCCP in order to issue the permits the County requests. The laws governing this process include the Federal Endangered Species Act, California Endangered Species Act, Federal Clean Water Act (Sections 401 and 404), the State Natural Community Conservation Planning Act, and the California Fish and Game Code (Section 1600).

- 32) The whole point of this plan is so the County can develop faster? Or is this a conservation plan?

**Response:** The proposed PCCP would help streamline the permitting process for development while providing for landscape scale conservation opportunities.

- 33) Who will ensure enforcement and take care of the preserved areas?

**Response:** The entity charged with implementing PCCP reserve management (likely a Joint Powers Authority) will be tasked to monitor and maintain the lands in perpetuity. This will be a requirement of the final PCCP Implementing Agreement between the Participating Agencies (i.e. the County, Lincoln, PCWA, and SPRTA) and the resource agencies. Any lands brought into the PCCP reserve system would be required to be monitored and managed as outlined in the Implementing Agreement.

- 34) Would the monitoring and management requirements apply to the Federal government if they acquire more conservation area?

**Response:** Yes, any lands incorporated into the PCCP reserve system would be required to follow the maintenance and management tasks outlined in the final PCCP Implementing Agreement.

- 35) What is the percent of Williamson Act parcels are located in the purple area?

**Response:** The number will differ depending on the boundary of the alternative map. However, for example, approximately 243 parcels (27,000 acres) are under a Williamson Act contract in the Alternative 14 purple reserve map area.

- 36) If there are only four maps that the agencies approve, why doesn't the County eliminate the rest?

**Response:** The resource agencies have indicated that maps two, four, six, and seven provide sufficient levels of resource conservation to prepare a conservation strategy. However, they have also indicated that other maps could function as suitable starting points for reserve design negotiations. Ultimately, the map the County uses is the decision of the County Board of Supervisors and the Lincoln City Council.

- 37) Why did staff submit Alternative 14 for approval and what was the criteria for 14? Now Alternatives 2, 4, 6, and 7 are more favorable?

**Response:** See response to Questions 30 and 39.

38) Who pays for the maintenance and management costs (the ongoing costs)?

**Response:** Many of the ongoing costs will be financed by the individual projects requesting coverage under the County's PCCP permits; however, the specifics of funding the ongoing costs has not been determined and will ultimately be a decision made by the Board of Supervisors. The *Preliminary PCCP Financing Plan Discussion*, dated July 11, 2005, provides a range of public and private financing alternatives for implementation of the one-time and ongoing costs associated with the PCCP. The PCCP Finance Plan cannot be prepared until such time that the conservation strategy is complete, which in turn is based upon the selection of a reserve alternative map.

39) How do conservation easements work? Does the County have an example of a conservation easement landowners could review before deciding to enter into this type of agreement?

**Response:** The County would work with interested parties (willing sellers) to purchase a conservation easement from the owner. A conservation easement is a legal document restricting the types of activities a property owner is allowed to conduct on their land. The County has examples of several conservation easements. It is important to note that the language of the conservation easement will change depending on the biological resources present on each individual property and the rights the property owner wishes to sell (e.g., future development rights, logging rights, etc.). The permitted and prohibited uses on the property will be unique for each easement, depending upon the terms negotiated between the property owner and the County. For a copy of an example conservation easement, please contact Breann Larimer, with the Planning Department, at (530) 745-3000.

40) Are the conservation easements established in perpetuity or for 50 years?

**Response:** The conservation easements established for the PCCP would be established in perpetuity.

41) Are Counties required to prepare some type of conservation plan and if yes what would be the punishment to the County if they did not prepare a conservation plan?

**Response:** There are no requirements mandating counties to prepare conservation plans. Placer County is preparing the PCCP to fulfill policies of the County's 1994 General Plan and implement objectives of the County's Placer Legacy Open Space and Agricultural Conservation Program. If the County does not prepare a conservation program projects would proceed as usual, obtaining regulatory permits individually.

42) What are the benefits of preparing a conservation plan?

**Response:** A number of benefits are associated with completing a regional conservation program such as the PCCP. The regulated community benefits with a more streamlined permitting process, increased assurances as to what will be required for project mitigation, pre-established permitting timeframes, among others. From a biological perspective, the PCCP provides for contiguous, landscape scale conservation, ongoing management and monitoring programs, in perpetuity adaptive management practices within the preserve lands, and species-specific goals and objectives. Additionally, the PCCP provides the County with an opportunity for the conservation of natural communities that do not currently receive state or federal protections. Federal funding is available to the County for meeting the conservation goals the PCCP establishes for these habitat types (e.g. woodlands, waterfowl habitat, riparian).

**LANDOWNER SUBCOMMITTEE MEETING**  
**January 5, 2007 - 1:00pm**  
**Planning Commission Chambers, CDRA Building**

**QUESTION SUMMARY FROM THIS MEETING TO BE PROVIDED AT  
A LATER DATE.**

## **Exhibit H**

### **PCCP Cost and Finance Summary**

#### **PCCP COSTS SUMMARY**

Tables 1-4 below provide the basic background information on how the one-time costs associated with the implementation of the PCCP were developed. Each table provides a summary of the one-time costs for each of the 3 alternatives that were included in the Board's November 20, 2006 staff report. The single largest cost is associated with the acquisition of private property for protection through the PCCP reserve system (Table 3). The second largest cost is the restoration of certain parts of the acquired lands to meet the mitigation requirements of the wildlife agencies. The restoration costs are approximately 10% of the overall one-time cost. Table 6 below provides a summary of the on-going costs associated with the implementation of the PCCP.

It needs to be noted that the cost estimates are based upon a number of factors. These include estimated land values, that depend on the real estate market for development land, agricultural land, and on the market for mitigation land. One of the key assumptions is whether land would be acquired in fee title versus conservation easement. The assumption (60 percent fee title:40 percent conservation easement) is an estimate for planning purposes at this time because we do not know what the buyer/seller market will look like over time. Dedication of reserve land is also a factor in the acquisition "cost". We present an estimate for planning purposes of the potential impact of land dedication on PCCP one-time costs.

The following is a summary of each of the 6 tables:

- **Table 1** – This table provides an acreage breakdown, by geographic area, of the projected land conversion in Western Placer County (i.e., the amount of land anticipated to be converted to development) between 2005 and 2050. The PCCP will cover the anticipated 54,300 acres of open land conversion for Placer County and the City of Lincoln.
- **Table 2** – This table provides a breakdown of the anticipated acreage requirements for three different alternative reserve maps – Map 3b, Map 5 and Map 6. These three maps were selected for analysis because they represent the widest range of potential outcomes.
- **Table 3** – This table provides an estimate of the one-time costs of implementing the PCCP under each of the three alternatives. The primary cost components include acquiring and restoring land. These are costs that would be borne by the beneficiaries of the PCCP- primarily private land development interests. Land acquisition costs reflect land values in today's real estate market for properties of the types and locations that would need to be acquired through conservation easements or fee title to mitigate impacts of land conversion for each of the three alternatives.
- **Table 4** – This table describes another one-time cost scenario, assuming that some of the reserve land would be contributed by means of dedication and

would therefore not require acquisition in the real estate market. If, overall, about 50 percent of the land were dedicated, the acquisition cost obligation would be about 30 to 40 percent less than shown in Table 3.

- **Table 5 (A-C)** – These tables provide information on the assumed distribution of the one-time costs on a per acre basis, measured at the year 2050, for each of the three alternatives.
- **Table 6** - This table provides a summary of the ongoing costs associated with the implementation of the PCCP. Costs include staff/administration, land management activities, monitoring/research/adaptive management, restoration management, and funding for contingencies.

**Table 1**  
**Estimated Potential Land Conversion 2002-2050**

<b>Geographic Area</b>	<b>Acres</b>	<b>Percent of total</b>
Agricultural Conversion -County	<b>9,700</b>	14%
Agricultural Conversion -Lincoln Planning Area	8,500	13%
Existing Urban and Planned Infill – County	21,100	31%
Existing Urban and Planned Infill - Lincoln	4,700	7%
Rural Residential - County	10,300	15%
Non Participating Cities	13,000	19%
<b>Total Phase 1 Area</b>	<b>67,300</b>	<b>100%</b>
PCCP area excluding non-participating cities	<b>54,300</b>	
<b>Non-Geographic</b>		
Placer Parkway		
PCWA Sacramento River Water Diversion		

**Table 2**  
**Estimates of PCCP Acres for Local Mitigation**

<b>Year 2050</b>	<b>Alternative 3b<sup>1</sup></b>	<b>Alternative 5<sup>1</sup></b>	<b>Alternative 6<sup>1</sup></b>
Total Acres Acquired/Under Management	41,321	45,724	38,574
Acres Restored/Created	8,515	13,021	6,230
<b>NOTE: Acres restored/created are included in acres acquired and under management.</b> Restoration or creation results in a change in ecosystem type, such that acres of one type are acquired and, after restoration/creation, those acres are eventually under management as another type. <sup>1</sup> For each of the 3 alternatives, the figure referenced above represents the mitigation requirement. Conservation, over and above this mitigation requirement is a local, state and federal contribution that is estimated to add approximately 25-30% additional acreage.			

**Table 3**  
**Estimates of PCCP One-time Costs through 2050 (2006 dollars)**

	<b>Alternative 3b</b>	<b>Alternative 5</b>	<b>Alternative 6</b>
Land Acquisition	\$ 1,039,000,000	\$ 894,000,000	\$ 954,000,000
Restoration	115,000,000	134,000,000	110,000,000
Contingency (10%)	115,000,000	103,000,000	106,000,000
<b>Total One Time Costs</b>	<b>\$ 1,269,000,000</b>	<b>\$ 1,131,000,000</b>	<b>\$ 1,170,000,000</b>
NOTE: Land acquisition includes the following: acquiring land in fee title, acquiring easements, conducting pre-acquisition surveys, and undertaking one-time site maintenance activities.			

**Table 4**  
**Estimates of PCCP One-time Costs through 2050 (2006 dollars)**  
**Land Dedication Scenario**

	<b>Alternative 3b</b>	<b>Alternative 5</b>	<b>Alternative 6</b>
Land Acquisition	\$647,000,000	\$575,000,000	\$604,000,000
Restoration	\$115,000,000	\$134,000,000	\$110,000,000
Contingency (10%)	<u>\$76,000,000</u>	<u>\$71,000,000</u>	<u>\$71,000,000</u>
	\$		
<b>Total One Time Costs</b>	<b>838,000,000</b>	<b>\$ 780,000,000</b>	<b>\$ 785,000,000</b>
NOTE: Land acquisition includes the following: acquiring land in fee title, acquiring easements, conducting pre-acquisition surveys, and undertaking one-time site maintenance activities.			

**Table 5A**  
**Preliminary Estimate of Mitigation Fees for Residential and Non-residential Development based on PCCP Costs for [Alternative 3b](#) (presented in Table 3) (2006 dollars)**

<b>Residential development densities</b>		<b>Acquisition</b>	<b>Restoration</b>	<b>Total</b>
<b>2</b>	du per acre	\$11,200	\$1,250	\$12,450
<b>4</b>	du per acre	\$5,600	\$625	\$6,225
<b>6</b>	du per acre	\$3,700	\$420	\$4,150
<b>8</b>	du per acre	\$2,800	\$315	\$3,115
<b>10</b>	du per acre	\$2,240	\$250	\$2,490
<b>12</b>	du per acre	\$1,870	\$210	\$2,080
<b>14</b>	du per acre	\$1,600	\$180	\$1,780
<b>16</b>	du per acre	\$1,400	\$155	\$1,555
<b>18</b>	du per acre	\$1,245	\$140	\$1,385
<b>20</b>	du per acre	\$1,120	\$125	\$1,245
<b>Non-Residential development densities</b>		<b>Acquisition</b>	<b>Restoration</b>	<b>Total</b>
<b>0.20</b>	FAR	\$2,600	\$300	\$2,900
<b>0.25</b>	FAR	\$2,100	\$200	\$2,300
<b>0.30</b>	FAR	\$1,700	\$200	\$1,900
<b>0.35</b>	FAR	\$1,500	\$200	\$1,700
<b>0.40</b>	FAR	\$1,300	\$100	\$1,400

**Table 5B**  
**Preliminary Estimate of Mitigation Fees for Residential and Non-residential Development based on PCCP Costs for [Alternative 5](#) (presented in Table 3) (2006 dollars)**

<b>Residential development densities</b>		<b>Acquisition</b>	<b>Restoration</b>	<b>Total</b>
<b>2</b>	du per acre	\$9,650	\$1,450	\$11,100
<b>4</b>	du per acre	\$4,825	\$725	\$5,550
<b>6</b>	du per acre	\$3,215	\$485	\$3,700
<b>8</b>	du per acre	\$2,415	\$365	\$2,780
<b>10</b>	du per acre	\$1,930	\$290	\$2,220
<b>12</b>	du per acre	\$1,610	\$240	\$1,850
<b>14</b>	du per acre	\$1,380	\$210	\$1,590
<b>16</b>	du per acre	\$1,205	\$180	\$1,385
<b>18</b>	du per acre	\$1,070	\$160	\$1,230
<b>20</b>	du per acre	\$965	\$145	\$1,110
<b>Non-Residential development densities</b>		<b>Acquisition</b>	<b>Restoration</b>	<b>Total</b>
<b>0.20</b>	FAR	\$2,200	\$300	\$2,500
<b>0.25</b>	FAR	\$1,800	\$300	\$2,100
<b>0.30</b>	FAR	\$1,500	\$200	\$1,700
<b>0.35</b>	FAR	\$1,300	\$200	\$1,500
<b>0.40</b>	FAR	\$1,100	\$200	\$1,300

**Table 5C**  
**Preliminary Estimate of Mitigation Fees for Residential and Non-residential**  
**Development based on PCCP Costs for [Alternative 6](#) (presented in Table 3)**  
**(2006 dollars)**

<b>Residential development densities</b>	<b>Acquisition</b>	<b>Restoration</b>	<b>Total</b>
2 du per acre	\$10,300	\$1,200	\$11,500
4 du per acre	\$5,150	\$600	\$5,750
6 du per acre	\$3,435	\$400	\$3,835
8 du per acre	\$2,575	\$300	\$2,875
10 du per acre	\$2,060	\$240	\$2,300
12 du per acre	\$1,715	\$200	\$1,915
14 du per acre	\$1,470	\$170	\$1,640
16 du per acre	\$1,290	\$150	\$1,440
18 du per acre	\$1,145	\$135	\$1,280
20 du per acre	\$1,030	\$120	\$1,150
<b>Non-Residential development densities</b>	<b>Acquisition</b>	<b>Restoration</b>	<b>Total</b>
0.20 FAR	\$2,400	\$300	\$2,700
0.25 FAR	\$1,900	\$200	\$2,100
0.30 FAR	\$1,600	\$200	\$1,800
0.35 FAR	\$1,400	\$200	\$1,600
0.40 FAR	\$1,200	\$100	\$1,300

**Table 6**  
**On-going Cost Summary (2050)**  
**(annual cost in 2006 dollars)**

	<b>Alternative 3b</b>	<b>Alternative 5</b>	<b>Alternative 6</b>
<b>Cost Category</b>			
Program Administration	\$ 599,000	\$ 599,000	\$ 599,000
Land Management	3,923,000	4,500,000	3,723,000
Restoration Management	631,000	631,000	631,000
Monitoring, Research, and Adaptive Mngmt.	1,690,000	1,828,000	1,650,000
Contingency (3%)	205,000	227,000	198,000
<b>TOTAL</b>	<b>\$ 7,048,000</b>	<b>\$ 7,785,000</b>	<b>\$ 6,801,000</b>
Acres Managed (cumulative total)	41,321	45,724	38,574
Acres Restored (cumulative total)	8,515	13,021	6,230
<b><u>On-going Cost per Acre Managed</u></b>			
<b>Cost Category</b>	<b>Alternative 3b</b>	<b>Alternative 5</b>	<b>Alternative 6</b>
Program Administration	\$ 14	\$ 13	\$ 16
Land Management	\$ 95	\$ 98	\$ 97
Restoration Management (per acre restored)	\$ 74	\$ 48	\$ 101
Monitoring, Research, and Adaptive Mngmt.	\$ 41	\$ 40	\$ 43
Contingency (3%)	\$ 5	\$ 5	\$ 5
<b>TOTAL</b>	<b>\$ 200</b>	<b>\$ 200</b>	<b>\$ 180</b>

### **Cost Allocation/Fees for One-Time Costs**

New residential and non-residential development in the unincorporated area of western Placer County and the City of Lincoln will bear much of the cost of the local mitigation for impacts attributable to covered activities, largely proportional to the conversion of land from non-urban to urban uses. For example, since non-residential development would represent about 15 percent of the total conversion to urban uses, it is likely that non-residential development would bear a share of the PCCP local mitigation cost proportionate to that impact.

For the purposes of illustration, Tables 5A, 5B and 5C depict three scenarios that allocate all one-time acquisition and restoration costs (including contingency) associated with the local mitigation component of the PCCP to the potential new development that could occur in unincorporated Western Placer County and the City of Lincoln through the year 2050 and that would convert agricultural land, habitat, and open space. This type information was developed for the Board in March, 2005 and has been updated to reflect the revised PCCP cost analysis distributed to the Board at the November 2006 workshop. These tables provide an early assessment of how costs are related to new development and the density of development for three reserve map alternatives, 3b, 5 and 6. A fee covering acquisition and restoration would range from about \$6,000 per acre (\$1,500 per unit) for a residential project of typical suburban density (i.e., 4 du/ac) to about \$2,000 per acre (\$165 per unit) for a high density residential project (i.e., 12 du/ac). A high-density project with a small development footprint relative to the number of units produced has 10 percent of the per unit obligation of a project that is at a very low suburban density. The incentives to reduce the footprint and increase densities are logical in that less land required for development will result in less conversion of land that harbors sensitive species. This assessment does not include a fee for any potential endowment to fund ongoing costs (see discussion regarding Tables 6 and 7).

### **Ongoing Costs**

The ongoing costs are more difficult to specifically identify on a per unit basis because such costs could be spread through a variety of finance mechanisms. If an endowment-only alternative was considered, a very significant amount of funding would have to be set aside in a non-wasting account in order to generate sufficient revenue on an annual basis to support the ongoing costs in perpetuity. Because such an account may be difficult to establish and protect in perpetuity (over \$350M would be necessary) other alternatives will likely be examined and presented in the draft finance plan. Early conversations have shown that there is an interest in a range of options for financing ongoing costs as opposed to a single fee option for an endowment payment.

As noted in Table 6, there are a number of costs that cumulatively add up to a need for \$6.8M to \$7.8M annually to manage the PCCP in perpetuity. The basic management obligations include the following:

- Program Administration - This funding obligation accounts for the staffing, benefits and overhead for the employees that manage the PCCP program.
- Land Management - This is the largest funding obligation and includes a range of activities associated with the management of large acreages of land (the PCCP costs assume that 60% of the land was acquired in fee title).
- Restoration Management - The acreage that includes restored habitat will require more management to insure that the performance objectives are met over time.
- Monitoring, Research, and Adaptive Management - All areas will need to be monitored in perpetuity and management activities may need to be modified to adapt to new conditions as they emerge over time.
- Contingency - A 3% contingency factor has been built into the annual management obligation to account for unforeseen circumstances.

It is not possible to predict the exact costs associated with status quo management obligations because they will vary widely from project-to-project. However, the range of activities described above are consistent with the management of preserved habitat being managed throughout the greater Sacramento region by such entities as the Center for Natural Lands Management, the Habitat Management Foundation, the Wildlife Heritage Foundation, the Placer Land Trust and others. The primary difference may be the obligation to monitor the PCCP reserve lands in perpetuity. Under status quo, monitoring obligations can end after a 3-5 year period or after certain performance objectives have been met.

## **PCCP FINANCE**

It is anticipated that most of the local mitigation costs of the PCCP will be borne by the new development receiving incidental take coverage for impacts to species and habitat under the PCCP permit. The greatest percentage of participation will come from new development in unincorporated western Placer County and the City of Lincoln, although properties developing in the Loomis Basin and Auburn areas will most likely have to pay mitigation fees to the PCCP for the right to develop their properties. County and City of Lincoln facilities projects will also contribute to the mitigation requirements.

There are a number of financial options that can be used to implement the PCCP for both ongoing costs as well as the one-time costs. Table 7 was prepared by MuniFinancial as part of the PCCP work program. Table 7 provides summary information on the range of funding options available to implement the PCCP. Additional information can be found on each of these options in the July 5, 2005 PCCP Financing Memo provided to the Board on November 20, 2006.

At this time, the staff is not prepared to recommend a finance strategy. The final finance plan will focus on one or more of these alternatives. A financial stakeholder working group had been previously formed to meet and discuss finance issues. The financial stakeholder working group will reconvene once a reserve map is selected and specific financial information is prepared based upon the preparation of the conservation strategy.

### **Comments on All Cost Estimates**

A number of factors could reduce ongoing and one-time costs including spreading the costs across a broader base, reducing the overall footprint of take, acquiring a higher percentage of conservation easements versus fee title, obtaining greater funding support from state/federal agencies, establishing revenue generating activities, etc. Conversely, other factors could increase these costs including inflated land costs, increased administrative costs, increased adaptive management obligations and others. With this said, development of this data and a recommended approach will come out of the financing plan that will be developed once the conservation strategy has been prepared.

**Table 7**  
**Potential Funding Sources - Key Characteristics**

<b>Funding Source</b>	<b>Use of Funds</b>			<b>Source of Funds</b>		<b>Annual Revenue</b>		<b>Voter Approval</b>	<b>Other Issues</b>	
	<b>One-time Costs</b>	<b>On-going Costs</b>	<b>Debt Financing</b>	<b>New Development Only</b>	<b>Broad Geographic Areas</b>	<b>Potential Amount</b>	<b>Stability</b>		<b>Add'l Legal Analysis</b>	<b>Special Legislation Required</b>
Land Dedication/Habitat Mitigation Fee	Yes	Use Endowment	No	Yes	No	Low/Moderate	Variable	No	No	No
Development Impact Fee	Yes	Use Endowment	No	Yes	No	Low/Moderate	Variable	No	Yes	No
Conservation Easements	Yes	No	No	No	Yes	Low	Variable	No	No	No
Community Facilities District (Mello Roos)	Yes	Maybe	Yes	Yes	Yes	Low/Moderate	Stable	Landowner or Voter <sup>1</sup>	Yes	No
Benefit Assessment Districts	Yes	Yes	Yes	Yes	Yes	Low/Moderate	Stable	Landowner <sup>2</sup>	Yes	No
Habitat Maintenance Assessment District	Yes	Yes	No	Yes	Yes	Low/Moderate	Stable	Landowner <sup>2</sup>	Yes	Yes
Community Services Districts	Yes	Yes	Yes	No	Yes	Low/Moderate	Stable	Landowner or Voter <sup>3</sup>	No	Yes
Agricultural Leases	Yes	Yes	No	No	Yes	Low	Stable	No	No	No
Parcel Tax	Yes	Yes	Yes	No	Yes	Moderate/High	Stable	Voter <sup>4</sup>	No	No
Sales Tax	Yes	Yes	Yes	No	Yes	Moderate/High	Stable	Voter <sup>4</sup>	No	No
Other Local Sources	Yes	Yes	TBD	No	Yes	TBD	Stable	TBD	TBD	TBD

Note: "TBD" is To Be Determined.

Source: MuniFinancial

<sup>1</sup> Approval requires a two-thirds vote of property owners based on acreage, or if 12 or more voters are registered within the proposed district then approval requires a two-thirds vote of registered voters.

<sup>2</sup> Approval requires a majority vote of property owners weighted by the amount of the assessment.

<sup>3</sup> Approval of district formation requires a majority vote of registered voters. Approval of a new assessment or charge requires a majority vote of property owners weighted by the amount of the assessment.

<sup>4</sup> Approval requires a two-thirds vote of registered voters

